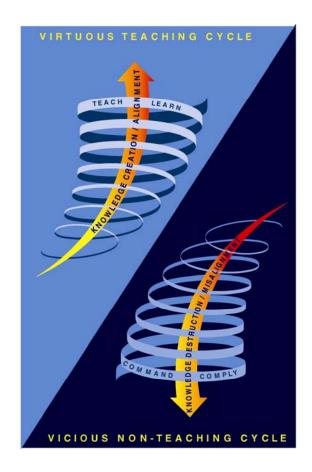
Participant Materials

The 2003 Linkage Excellence in Management & Leadership Series

Cycle of Leadership: Leader as Teacher

Featuring Noel Tichy, University of Michigan



Dear Participant:

Welcome to Linkage's 2003 Excellence in Management and Leadership Series. Today's program, Leader as Teacher, features Noel Tichy, author of *The Cycle of Leadership*, co-author of *The Leadership Engine: How winning Companies Build Leaders at Every Level* and co-author with Ram Charan of *Every Business is a Growth Business*. He is a professor of organizational behavior and human resource management as well as the director of the Global Leadership Program at the University of Michigan Business School. This program will draw upon Noel Tichy's 25 years or research and real world application of leadership development at GE, Ford, Shell, Cisco and others.

Specifically, the program will focus on:

- How the best leaders develop future leaders in their organization
- Creating a Teaching Organization in which leaders are learners and teachers.
- Helping leaders develop their own Teachable Point of View™
- Developing Virtuous Teaching Cycles in which people throughout your company become smarter, more energized, and more aligned

Some of the key themes surrounding leadership that Noel Tichy will share with you are:

- Companies with the best leaders win
- The best people to develop leaders are not professors or consultants, but leaders within the business
- Leaders at all levels must have a Teachable Point of ViewTM
- Leaders must be teachers and learn from those they teach

These participant materials have been designed to complement your conversation with Noel Tichy. Use them to record your notes, ideas, questions, and insights. At the end of the program, you will be asked to submit questions directly to Dr. Tichy via fax, telephone and/or email.

Learning is an activity that requires more than passively watching a speaker. Simply watching today's program will neither instill leadership knowledge or skills, nor result in an immediate change in your organization's culture and strategic positioning.

Learning requires the active engagement of your mind and spirit - the motivation and drive to reflect, apply, practice, and experiment.

About Linkage

Linkage, Inc. is a leading provider of leadership and management development training programs, services, and products. More than 100,000 executives and management professionals have attended a Linkage institute, conference, workshop, or corporate education program. Linkage also provides assessment, consulting, and research services to Fortune 500 companies and other leading organizations. Founded in 1988, Linkage is headquartered in Burlington, Massachusetts, with regional offices located in Atlanta, Brussels, London, Minneapolis, and San Francisco. In both 1997 and 1998, Linkage was honored as one of the "Inc. 500 Fastest Growing Private Companies in the United States."

Table of Contents

About Linkage	3
Table of Contents	4
SECTION 1	5
Satellite Program Materials	5
What You Will Learn	6
Introduction and Basic Premises	
Teaching Must Be Interactive	
Question-and-Answer Session	
When the Session Has Concluded	8
Pre-Broadcast Activities	
During This Program	16
Noel Tichy Presentation	
Post-Broadcast Activities	
SECTION 2	27
Forms	27
Question Sheet	28
Evaluation Form	20

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SECTION 1

Satellite Program Materials

What You Will Learn

During the program, participants will:

- Benchmark their own leadership and their companies' leadership development against world class winners.
- Develop their own Teachable Points of view encompassing:
 - Ideas about the external environment and their company's internal core capabilities.
 - Operational values that will help leaders implement their business ideas.
 - Methods of energizing the work force both one-on-one and with largescale mechanisms.
 - The ways that tough decisions about people and products are made.
- Create a compelling story about where their organization is going that can engage people at all levels.
- Examine how world-class leaders develop leaders.

Introduction and Basic Premises

Winning leaders, whether they sit in the chairman's office or run a production line on the factory floor, have a point of view about how to manage and grow their businesses. A leader uses this teachable point of view to create a compelling description of where their company is going and to enlist others' energy to get there. Leaders also use their teachable point of view to teach others to be leaders. Leaders use their teachable points of view everyday. They use them to create dynamic and engaging stories that detail where their company is, where it is going, and how they will get there.

Winning leaders need teachable points of view in four specific areas:

Ideas

Great companies are built on central ideas. By passing the ideas to others, and teaching others how to develop good ideas, leaders create organizations that are finely tuned toward delivering success.

Values

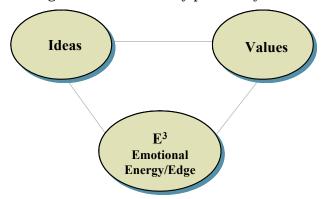
Winning leaders articulate values explicitly and shape values that support business ideas. For example, GE's Jack Welch articulates the value of "boundarylessness" in order to facilitate speed-to-market, the generation of ideas, and the sharing of best practices.

Edge

Leadership is about making tough yes-no decisions. Winning leaders face reality, and they make decisions about people, products, businesses, customers, and suppliers.

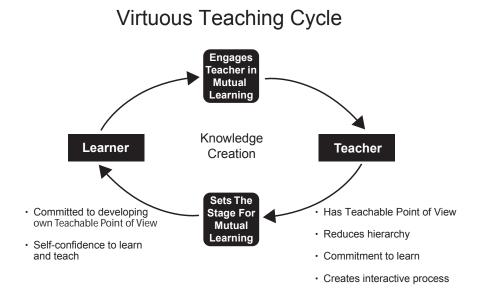
Energy

Winning leaders are motivated and they motivate others about change and transition. Leaders energize others when they personally interact with them.



Teaching Must Be Interactive

One way command and control teaching creates vicious non-teaching cycles. The key DNA in a teaching organization is the Virtuous Teaching Cycle.



Question-and-Answer Session

- If you are participating only in the live presentation of this program, complete the fax form, send an e-mail or call in your questions to Noel Tichy using the question sheet on page 28.
- If you are participating in a post-broadcast program, share your questions with your seminar coordinator and your colleagues during that time.

When the Session Has Concluded

- Your feedback is valuable in ensuring the integrity of future programs. We take pride in providing relevant, thought-provoking and enlightening programs and we rely on you to help make this happen. Complete your participant evaluation form on page 29 and fax the hard copy or complete the online evaluation form at: http://www.linkageinc.com/training/satellites/satellite_evals.shtml
- To further reinforce your understanding of today's information, as well as hone other aspects of your leadership skills, complete the recommended Post-Broadcast Activities that begin on page 25.

Pre-Broadcast Activities

Become familiar with Noel Tichy's extraordinary accomplishments by reading his biographical outline on the following page.

Biography: Noel Tichy

Dr. Noel M. Tichy is a Professor of Organizational Behavior and Human Resource Management at the University of Michigan Business School, where he is the director of the Global Business Partnership which for over a decade ran the Global Leadership Program, a 36-company consortium of Japanese, European and North American companies who partnered to develop senior executives and conduct action research on globalization in China, India, Russia and Brazil. He now heads up the Global Leadership in Healthcare Program working with CEOs and their senior teams from major medical centers in the U.S. along with teams in Europe and India. Professor Tichy also conducts the CYCLE OF LEADERSHIP executive program at the University of Michigan.

Tichy has spent over 25 years both as a clinical practitioner in the field advising CEOs and engaged in leadership development around the world, including having run GE's famed leadership development institute, Crotonville, for Jack Welch in the 1980's. As a leading academic researcher on leadership, one of his former books, THE LEADERSHIP ENGINE (written with Eli Cohen), was a *BusinessWeek* book of the year in 1997 and previous to that his best selling GE book CONTROL YOUR DESTINY OR SOMEONE ELSE WILL (with Stratford Sherman), is now taught in business school's nationwide.

THE CYCLE OF LEADERSHIP builds on Tichy's previous work, but it is also a huge breakthrough on how winning leaders will have to behave in order to win in the 21st century. "Winning leaders are teachers, and winning organizations do encourage and reward teaching. But there is more to it then that. Winning organizations are explicitly designed Teaching Organizations, with business processes, organizational structures and day-to-day operating mechanisms all build to promote teaching. More importantly, the teaching that takes place in them is a distinctive kind of teaching," and it is this two-way teaching on which Tichy now focuses.

He argues that, in today's radically transformed information economy, companies must be big, fast, and smart to survive, and leaders who wish to do so as well must create a "virtuous teaching cycle", in which everyone teaches, everyone learns and everyone gets smarter everyday, instead of simply imposing their "teachable point of view" from the top. This is as true for established companies that have begun to ossify, and so need to become faster, as it is for small start ups that need to get bigger, and Tichy explains the respective strategies of "hypertransformation" and "hypergrowth" that each requires using examples from his long experience as an organizational psychologist and a management consultant.

The leaders profiled include Welch and GE's Jeff Immelt, 3M's James McNerney, Dell Computer's Michael Dell, Trilogy Software's Joe Liemandt, PepsiCo's Roger Enrico, IBM's Lou Gerstner, Intel's Andy Grove, Tricon's David Novak, Cisco's John Chambers, Home Depot's Bob Nardelli, Southwest Airlines' Herb Kelleher, Accenture's Mary Tolan, Genentech's Myrtle Potter and General Wayne Downing's (Ret), former head of the U.S. Special Operations Forces, now Deputy National Security Advisor for Counterterrorism.

This book could not have come at a more opportune time and provides thoughtful, solid and, most importantly actionable answers on how to develop leaders who are critical to the success of the 21st century organization. Tichy's choice to highlight Eleanor Josaitis, co-founder of Focus: HOPE and Wayne Downing's Deputy National Security Advisor, as non-business examples of model leadership conveys an important message: the lessons offered in THE CYCLE OF LEADERSHIP are just as relevant to social and governmental organizations as they are to big business, and, it can be argued, even more vital in the world we currently find ourselves in.

Activity 1: Building the Cycle of Leadership

The Hand You Have Been Dealt

Please read the following excerpt from <u>The Cycle of Leadership</u> by Noel Tichy and Nancy Cardwell, 2002.

Building an organization with the DNA of Virtuous Teaching Cycles at all levels is a never-ending aspiration. The process of creating a Teaching Organization with Virtuous Teaching Cycles starts with an honest assessment of which building blocks your company has in place, how well it is using them, and which need to be created from scratch.

There is no single model or paint-by-numbers formula for building a Teaching Organization. Each will reflect the ideas, values and personalities of the people within them. At the heart of each, however, are certain characteristics:

- 1. The teaching organization mind-set: There is a deeply entrenched mind-set that teaching is a top priority for everyone and the best means of generating knowledge throughout the organization.
- 2. The leader learning mind-set: Great teachers are also great learners. They see each interaction as a potential learning opportunity. They encourage informal idea sharing and do not compartmentalize learning by hierarchy, function or business.
- 3. *Teaching is built into everyday operations:* Systems, processes, operating mechanisms and cultural values that guide daily action all reinforce teaching and building knowledge.
- 4. There is a strong teaching and development infrastructure: Teaching is built into systematic development opportunities, such as new-hire orientation, town hall exchanges, development programs, Six Sigma training, company recruiting, etc.

The Teaching Organization Audit

Complete the Teaching Organization Audit on the following pages; an excerpt from The Cycle of Leadership by Noel Tichy and Nancy Cardwell, 2002.

The Teaching Organization Audit

Use the audit below to see where you stand on the Teaching Organization scale:

Teaching Organization Audit

Building Blocks

developing others.

Building Blocks				
Your Organization				
	Not at All		Very S	trong
1. Senior Leadership—Our CEO and senior	1 2	3	4	5
leaders are passionately committed to teaching.				
2. Teaching Infrastructure —There are	1 2	3	4	5
organization-wide mechanisms and development				
programs architected to drive teaching through- out our company.				
out our company.				
3. Operating System —Our operating mechanisms	1 2	3	4	5
(strategic planning process, budgeting and succession planning) are more focused on creating				
Virtuous Teaching Cycles than meeting internal				
bureaucratic needs.				
Your Leadership				
·				_
4. TPOV —I have a clear Teachable Point of View that I actively use to teach and learn from others.	1 2	3	4	5
that I actively use to teach and learn norm others.				
5. Engaging Storyline —My TPOV is crafted into a	1 2	3	4	5
compelling, motivating storyline that I use to				
engage internal and external stakeholders.				
6. Priorities —I define my leadership role as	1 2	3	4	5
teaching, and I spend a significant portion of				
my time (i.e., 30% or more) teaching and				

Your Team

7. **Power**—I handle the paradox of power well requiring people to teach and participate in events to develop our collective TPOV.

1	2	3	4	5
---	---	---	---	---

8. Local VTCs—As a team, we engage our people in Virtuous Teaching Cycles that force us to change our thinking and behavior.

1	2	3	4	5

9. **Teaching Environment**—We foster informality and actively help our people build self-confidence so they can engage and teach us.

Your World

10. Citizenship-We have large-scale involvement in the wider community that engages our organizational members in corporate citizenship activities.

1	2	3	4	5

Score Yourself

- 45-50: The essential building blocks are in place—Use them!
- 35-44: Pick some key areas for change.
- 25-34: Great change is needed—start by getting commitment at the top and commit yourself to this change.
- 10–24: Dramatic transformation is required—this is old-way, command-and-control.

Implications of This Audit						
	Specific Actions Required	By When				
Your Organization						
Your Leadership						
Your Team						
Your World						

Activity 2: Assessing Yourself As a Leader/Teacher

The Evolution of the Teaching Organization

Please read the following excerpt from <u>The Cycle of Leadership</u> by Noel Tichy and Nancy Cardwell, 2002.

Teaching Organizations are the needed response to today's emphasis on knowledge creation. Today, intellectual assets trump physical assets in nearly every industry.

1. Reliance on Alignment Through Dialogue, not Authority

Teaching Organizations challenge traditional ideas of authority. Old hierarchical structures assumed that managers were more intelligent and knew more than those at layers below them. Teaching Organizations expect great insights to come from all levels of the organization. Leaders at the top guide the organization by pulling together a coherent firm-wide Teachable Point of View and energizing everyone to win.

2. Commitment and Contribution by All Employees

Since everyone in the organization is heard and, more important, expected to teach others, they have direct input into the organization's overall direction. Ultimately, the senior management team must set direction and choose to act on some ideas while ignoring others. However, everyone freely contributes by teaching others.

3. Level of Knowledge Creation

The competitive edge of Teaching Organizations is that they generate more knowledge and intellectual capital. They not only value everyone's input, they demand that people put ideas into practice by working with others.

4. Sharing Best Practices and Knowledge across All Boundaries

People who create fiefdoms or insulate themselves from new ideas are the bane of Teaching Organizations. Leaders within Teaching Organizations respect the fact that good ideas can come from anywhere. By definition, this means that leaders are simultaneously learning while teaching others.

Activity 2: Assessing Yourself As a Leader/Teacher continued

The Evolution of the Teaching Organization

Please finish the following exercise (excerpt from $\underline{\text{The Cycle of Leadership}}$ by Noel Tichy and Nancy Cardwell, 2002).

Yourself as a Leader/Teacher

Leaders who believe that teaching and learning are the foundations for marketplace success create Teaching Organizations and invest time to develop their own Teachable Point of View. If you are old enough to read this book, you have a point of view on what it takes to be a good teacher. By the time children are in fifth grade they have been exposed to a number of good and bad role models: parents, school teachers, church instructors, Boy or Girl Scout leaders, athletic coaches, etc. In order to develop your own teaching style, consider the qualities of a good teacher based on your own experiences:
Opening Up to Learning
Leader/teachers do not care where good ideas come from. They eagerly listen to new ideas with an open mind, fully expecting that the best insights may come from people outside their industry or below their hierarchical level. They do not let their egos prevent them from absorbing new learning. Regardless of where it comes from, Leader/Teachers will listen and learn.
Consider a time when you were a teacher but had your point of view significantly changed by the person you were teaching:

Activity 2: Assessing Yourself As a Leader/Teacher continued

The Evolution of the Teaching Organization

Please read the following excerpt from <u>The Cycle of Leadership</u> by Noel Tichy and Nancy Cardwell, 2002. Discuss with a partner the "punch in the nose" Virtuous Teaching Cycle.

The New DNA of Winning: A Virtuous Teaching Cycle

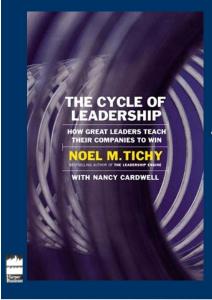
For fifteen years, Jack Welch drove the GE transformation from his teachable point of view that every business in GE needed to dominate its market. "No. 1, No. 2, fix, close or sell," was the mantra by which every GE executive lived or died. Then, in 1995, a group of middle managers in a class at GE's Crotonville leadership development institute sent Welch a startling message. The No. 1 or No. 2 vision, they told him, was stifling growth. Instead of scrambling to grow, leaders in GE were gaming it. GE was missing opportunities because its business leaders were defining their markets too narrowly so that they could be No. 1 or No. 2.

Welch's response to this "punch in the nose," as he described it, was to revise his thinking. In not very long, he came out with a new declaration: Define your business in such a way that you have less than 10% market share. Then direct your creativity and energy to finding new ways to attract customers. This change in outlook, according to Welch, was a major contributor to GE's double-digit rates of revenue growth in the latter half of the 1990s.

This story illustrates what I call a "Virtuous Teaching Cycle" at work. In the process of teaching, the teacher, Welch, learned something valuable from the students which made him smarter and prompted him to go out and teach a new idea. Such interaction are an essential reason GE has been so successful over the past two decades and why it is likely to remain one of the world's most valuable companies for some time to come.

During This Program

- Participate!
- Submit questions to be addressed by Noel Tichy during the question-andanswer session. Dr. Tichy will respond to questions in the latter third of the program. To submit questions, either complete the fax form found on page 28, submit an e-mail, or call in when prompted during the program.
- Use the following Participant Materials as an additional resource to Mr. Tichy's presentation. Make notes on the presentation in the space provided.



Redefining Leaders for the 21st Century

presented by

Professor Noel M. Tichy The University of Michigan

Linkage

June 11, 2003
Via Satellite, Videoconference
and the Web

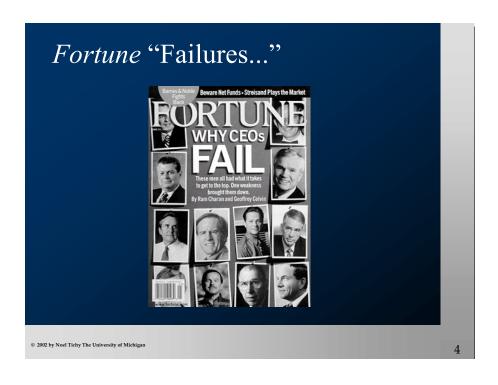
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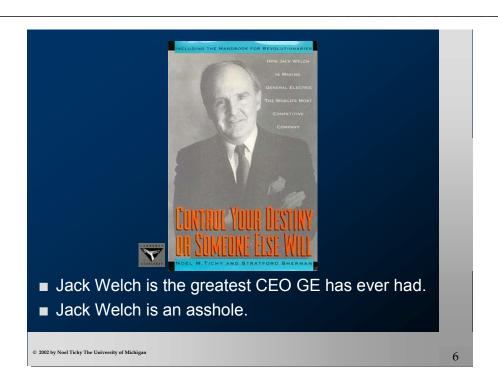
GOALS FOR THE SESSION

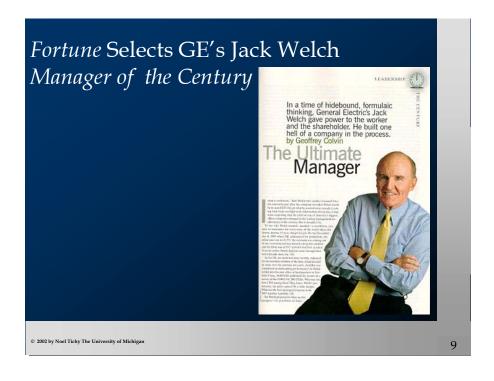
- Leadership Mirror Test
- Developing a Teachable Point of View[™]
- Return on Time

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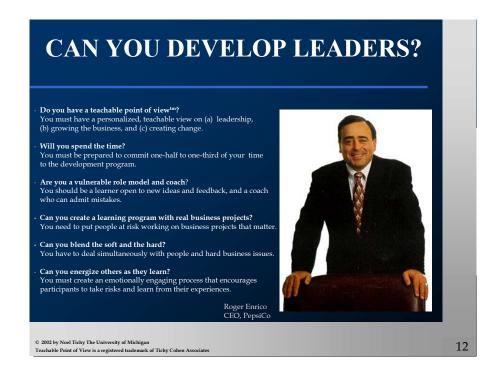
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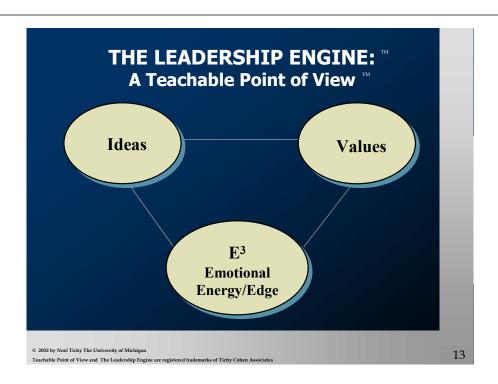


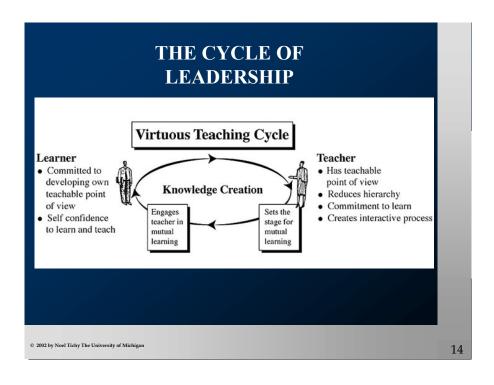


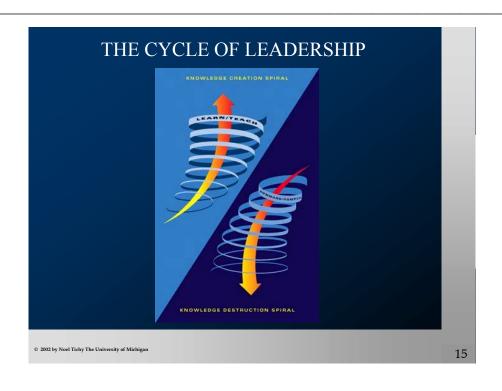


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1972		1982		1992		1994	
IBM AT&T Eastman Kodak General Motors Exxon Sears Roebuck General Electric Xerox Texaco Minn. Mining & Mfg.	\$46.8 29.2 23.9 23.2 19.6 18.2 13.3 11.8 10.2 9.7	IBM AT&T Exxon General Electric General Motors Royal Dutch/Shell Eastman Kodak	\$57.0 52.2 25.7 21.6 19.0 16.9 14.2	Exxon General Electric Wal-Mart Royal Dutch/Shell Nippon Tel. & Tel. Philip Morris AT&T Coca-Cola Mitsubishi Bank Merck	\$75.8 73.9 73.5 71.8 71.4 69.3 68.0 55.7 53.5 50.3	General Electric AT&T Exxon Coca-Cola	\$93.4 81.0 79.3 70.2
2000		2001		2002		2003	
General Electric Cisco Systems Microsoft Intel	\$541.9 401.4 383.2 309.7	General Electric Microsoft Exxon Pfizer	\$380.2 371.5 256.3 253.5	Microsoft General Electric Wal-Mart Exxon Pfizer	\$311.3 264.5 240.2 233.5 198.5	General Electric Microsoft Pfizer Wal-Mart Exxon *As Of 5/1/03	\$290.8* 275.7* 247.1* 245.3* 237.4*
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Ways for Scaling Virtuous Teaching Cycles

- Crotonville Type Capability
- Top Driven Teaching Cascades
- Six Sigma Black Belts

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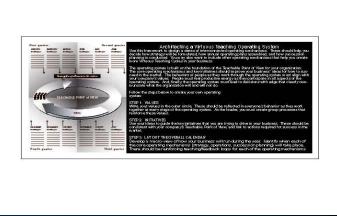
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GE OPERATING SYSTEM



© 2000 by Noel Tichy The University of Michigan

YOUR OPERATING SYSTEM



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16

TYING IT ALL TOGETHER -- WRITING YOUR LEADERSHIP STORY

- WINNING LEADERS PORTRAY THE FUTURE AS AN UNFOLDING DRAMA
 - They tell stories that engage followers emotionally and rationally
 - The stories weave together ideas, values, and modes of behavior
- WINNERS' STORIES CREATE SCENARIOS FOR SUCCESS
 - They build the case for organizational change
 - They describe a winning future
- LEADERS' STORIES ARE DYNAMIC AND MOTIVATING
 - They cast workers as protagonists who make the change happen
 - They guide participants to identify their own roles

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Can you pass the Father Cunningham Test?

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Post-Broadcast Activities

Complete and submit the participant evaluation form found at: http://www.linkageinc.com/training/satellites/satellite_evals.shtml or at the end of your participant materials.

If you are interested in completing the post broadcast activities you may contact your facilitator to provide you with the excerpts from <u>The Cycle of Leadership Handbook</u> to support your work (Supplemental handouts have been made available in the Facilitator Materials appendix).

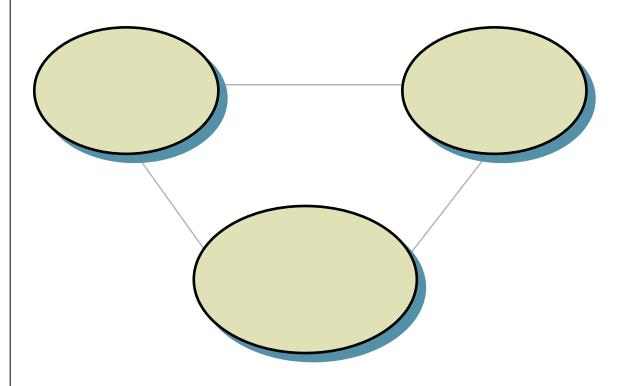
Activity (Optional): Crafting Your Teachable Point of View and a Compelling Leadership Story

Step 1: Your Teachable Point of View

Use the diagram below to complete your Teachable Point of View. You may refer back to pages 6 –7 (introduction) to complete this exercise.

THE LEADERSHIP ENGINE: TM

A Teachable Point of View TM



Step 2: Crafting a Compelling Leadership Story

Individual Work (Time 10 minutes)

Draft your storyline and make sure your TPOV comes alive. This is your motivating (I Have a Dream) story for your stakeholders. Draft all three stories.

Who Am I story:		
Who Are We story:		
Where Are We Going story:		

SECTION 2

Forms

Question Sheet
Use this form to write your question for Noel Tichy or for discussion among your colleagues. Please write clearly.
Name (optional):
Organization:
Location:
Your question (25 words or fewer):
Fax 1-877-892-0170 (from within U.S.) Fax 646-349-3661 (from outside U.S.)

1 ax 0+0-0+3-0001 (from outside 0.5.)

 ${\bf Email}~ \textbf{leadership2003@linkage-inc.com}$

Tel 1-800-489-8814 (from within U.S.) Tel 801-303-7412 (from outside U.S.)

LINKAGE MANAGEMENT & LEADERSHIP EVALUATION FORM

PLEASE RETURN THIS FORM TO YOUR SITE COORDINATOR OR FAX TO 781-402-5556.

NAME	AMETITLE					
ORGANIZATION						
Please indicate function	al area (only circle	one):				
Finance Human Resour	rces/Organizational	Development 1	Manufacturing/Operation	ns Marketing	R&D Sales	
		r	<i>y</i> - 1 - 1 - 1			
How many people do yo		o vou (include all	Llevels)? Number			
Please indicate your job					-	
☐ President or Officer	☐ Vice President	☐ Director	☐ Manager/Supervisor		Contributor	
1) Please indicate a ratio						
		Strongly Disagree	Somewhat Disagree	Somewhat Agree	Strongly Agree	
The length of the presenta	ation was ideal					
As a result of participatin	g in this program,					
I will be more effective in	n my role					
The participant material v	vere useful					
The Q&A session was va	luable					
2) Please give a general	overall comment a	bout the prograr	n			
_						
3) Any suggestions on w	hat we can do to in	nprove?				
3) Can we use any of the	ese comments for p	romotional purp	oses (including name a	nd organization)	? YES NO	
4) On a scale of 1-10 (10	= Outstanding), h	ow would you ra	te this satellite broadca	ast session? Ratin	ıg:	
5) Which speakers are y (Please rate your top			next Linkage Satellite (Distance Learnir	ng) Learning Series?	
Peter Senge	Mich	ael Dell	Ken Blanc	hard		
Warren Bennis	Larry	Bossidy	Deborah T	annen		
Maya Angelou		e Jobs	Stephen Co			
Margaret Wheatley Francis Hesselbein		ael Porter p Knight	Tom Peter John Scull			
Michael Hammer	Philip		John Scuii Louis Gers			
Gary Hamel		s Champy		Moss Kanter		
Other		PJ	11054004111			